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E.O. 12356: N/A
 TAGS: EPET, EINV, OPIC, PREL, KALR, CO
 SUBJECT: (U) COUNCIL OF STATE AFFIRMS DECREE 128

REF: BOGOTA 2013 AND PREVIOUS

1. (U) THE COUNCIL OF STATE HAS REJECTED PETITIONS TO SUSPEND CERTAIN PORTIONS OF DECREE 128 WHICH GIVES ECOPETROL OPERATIONAL CONTROL OF THE CANO LIMON-COVENAS PIPELINE AND TERMINAL, WHICH ARE JOINTLY OWNED BY ECOPETROL AND OCCIDENTAL/SHELL. THE COUNCIL WAS ACTING ON SEPARATE PETITIONS FILED BY OXY AND SHELL.

2. (U) IN REJECTING THE PETITIONS, A COUNCIL SPOKESMAN SAID THE OIL COMPANIES HAD ASKED FOR TOO MUCH. IN ADDITION TO THE REQUEST FOR SUSPENSION OF THE DECREE, THE COMPANIES HAD ALSO CLAIMED MONETARY DAMAGES FROM THE LIMITED OFFICIAL USE

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GOVERNMENT AND REQUESTED REAFFIRMATION OF THEIR RIGHTS AS OPERATORS UNDER THE ASSOCIATION CONTRACT WITH ECOPETROL.

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3. (U) THE SPOKESMAN SAID THE COUNCIL'S RULING DID NOT PRECLUDE THE COMPANIES FROM REFILING NEW PETITIONS. SUCH PETITIONS, HOWEVER, SHOULD NOT BE JUST REVISED VERSIONS OF THE ONES REJECTED BY THE COUNCIL, BUT WOULD HAVE TO BE TOTALLY NEW PETITIONS PRESENTING NEW AND DIFFERENT ARGUMENTS.

4. (LOU) COMMENT: IT WOULD SEEM OXY AND SHELL OVERREACHED THEMSELVES IN THEIR PETITIONS TO THE COUNCIL. THEIR LAWYERS HAD CONVINCED THEM THEY HAD AN OPEN-AND-SHUT CASE, AND THEY TRIED TO MAKE SOME MONEY ON THE DEAL. IN ACTUAL FACT, OXY HAS BEEN OPERATING THE PIPELINE SINCE IT WENT ON STREAM LAST APRIL BECAUSE ECOPETROL DOES NOT PRESENTLY HAVE ENOUGH TRAINED STAFF TO DO THE JOB. MORE THAN 100 ECOPETROL PEOPLE ARE BEING TRAINED BY OXY, BUT IT WILL PROBABLY NOT BE UNTIL SOMETIME NEXT YEAR WHEN ECOPETROL WILL BE READY TO ASSUME OPERATIONAL CONTROL.

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